





Fighting for Michigan families.

Fighting for Michigan job providers.

Fighting for Michigan's future.





Leading with Cuts and Reforms

BUDGET ACCOMPLISHMENTS

- Resolved 2007 budget deficit of \$859 million
 - Without raising taxes;
 - Without releasing convicted felons; and
 - By maintaining funding levels for core government functions like public safety and education.
- Responded to \$70 million in overspending by three state departments by enacting strict reforms to prevent it from happening in the future
- Proposed \$1 billion in cuts, reforms, and other budgetary savings for 2008, and flattened the 2008 budget
 - Refused to fund new programs or department inflationary increases in 2008;
 - Refused to fund \$75 million in public employee inflationary wage increases;
 - Cut legislative budget 3.4 percent, or \$4 million in 2008;
 - Proposed cuts that include \$332.7 million in savings by removing the governor's increases to K-12, higher education, and community colleges; and
 - Proposed privatizing of more foster care and juvenile justice services to achieve gross savings of more than \$19 million in 2008, and annual savings of \$7.5 million after 2008.

SENATE REPUBLICAN REFORMS

Public employee health care benefits reforms

Senate Republicans passed reforms addressing the skyrocketing cost of health benefits.

- Public school employee benefits in Michigan cost 42 percent more than the national average Our public employee health care reforms include:
 - Allowing public employers to pool together on a self-insured basis to provide health benefits coverage;
 - Granting access to claims data;
 - Requiring employers to competitively bid their health benefits; and
 - Keeping savings at the local level to be put back into the classroom.
- School employee retirement reforms
 - Reforms school employee retirement by moving new school employees to a graded health care system; and
 - Increases the employee contribution rate to the pension system.
- Common school calendar
 - Requires all districts with an intermediate school district to use a common calendar; and
 - Will cut costs by making it easier to share services.





Leading with Cuts and Reforms

Per-pupil expenditures report to families

Report to parents on how much is spent per-pupil in their school district on salaries, benefits and other expenses

— Will ensure more money makes it into the classroom.

Government efficiency commission

— Creates a nine-member, bipartisan commission that would issue a report to the Legislature recommending ways to consolidate, streamline, and improve efficiency of state government services.

Local government merging wage requirements

- Eliminates the barrier to cost-sharing and consolidation; and
- Eliminates requirement that locals pay the highest wage when merging.

Medicaid savings

- Eliminates Medicaid eligibility for certain optional beneficiary categories that the state is not required to cover under federal mandates; and
- Controls long-term Medicaid health care costs by improving the health of people on Medicaid through health behavior incentives and provider pay-for-performance measures.

Corrections reforms

Responding to the governor's plan to save money by releasing 3,000 convicted felons and closing a Jackson prison, Senate Republicans immediately formed a public safety subcommittee, hearing volumes of testimony, and issued a report of reform recommendations for the Department of Corrections:

- Privatize prison services like food, transportation and health care;
- Expand teleconferencing and telemedicine programs;
- Require a comprehensive performance audit by the auditor general;
- Expand prison industries; and
- Lower recidivism rates by addressing issues that cause felons to re-offend.

· Child welfare reforms

- Privatize more foster care and juvenile justice services to increase accountability, improve services for children and reduce costs; and
- Protect foster children from sex offenders and sexual predators.

Robo-calls

Senate passed a series of bills dealing with "robo-calls"

— Requires certain restrictions and disclosures for political robo-calls.





Leading with Pro-Business, Pro-Consumer Initiatives

SENATE REPUBLICAN PRO-MICHIGAN PROGRAMS

Michigan Business Tax (MBT)

Senate Republicans fought for small businesses and ensured the new tax plan didn't unfairly place the tax burden on small companies.

- Unlike the expiring Single Business Tax, the new Michigan Business Tax *does not* punish job providers for hiring new workers, growing their business, or providing benefits to their employees. The MBT rewards job providers for investing in Michigan.
 - Includes the Michigan Entrepreneurial Exemption (ME2) to help small businesses grow. Under the ME2, firms pay no taxes for up to 5 years if:
 - The business adds 20 jobs;
 - The firm makes an investment of \$1.25 million per year; and
 - The firm claims less than \$25 million in gross receipts.

Senate Republicans pushed to increase the personal property tax credits for Michigan job providers, and the new business tax has generous personal property tax relief.

- Industrial personal property is exempt from 24 mills, a 65 percent reduction from under the SBT.
- Commercial personal property is exempt from 12 mills, a 23 percent cut.
- Total personal property tax savings is \$635 million.

The Senate Republican plan spread substantial tax cuts across 100,000 firms, mostly medium and smaller businesses.

MI HEART

The Michigan Helping Ensure Affordable and Reliable Treatment plan gives all Michigan residents the opportunity to obtain affordable, basic health care coverage

- Encourages healthy lifestyles through healthy-living incentives;
- Controls long-term Medicaid health care costs; and
- Keeps Michigan's safety net fiscally sound.

Michigan Conservation Week

- Created the first Conservation Week to highlight Michigan conservation and raise public awareness of preserving Michigan's natural resources;
- Affirmed in law the right to hunt and fish in Michigan; and
- Provided new avenues to promote hunting opportunities and attract hunters from out-of-state to come to Michigan.

Corrections

Public safety is a top priority for Senate Republicans, and we will not support a plan that endangers the safety of Michigan residents.

— Senate Republicans will continue to reject the governor's plan to release 3,000 convicted felons as a cost-savings measure.

Senate Republican reforms and recommendations:

- Protect public safety;
- Address rising Department of Corrections costs; and
- Ensure the most efficient use of taxpayer dollars.





Leading with Pro-Business, Pro-Consumer Initiatives

Concentrated Animal Feeding Operations (CAFO) legislation

- Puts existing requirements into law for the Michigan Agriculture Environmental Assurance Program (MAEAP), a performance-based strategy to help farms prevent or minimize pollution risks
- Increases enforcement actions for violators
- Improves regulatory climate for livestock producers; and
- Balances environmental protection and economic viability of livestock farms.

Veterans package

A comprehensive package of bills to support Michigan veterans returning from Iraq and Afghanistan. Highlights include:

- Increased veterans preference in state purchasing from 3 to 5 percent of total expenditures for construction, goods and services;
- Allows Michigan soldiers to receive post traumatic stress disorder and traumatic brain injury health assessments;
- Establishes a "Michigan Patriot Business" designation for companies with at least 50 percent ownership by an active service member or veteran of the Iraq and Afghanistan conflicts;
- Allows children of active military personnel who are transferred out of state to retain their in-state residency status for determining college tuition; and
- Permits spouses and children of an armed forces member stationed in Michigan to be considered residents when determining college tuition.

Divestiture package for homeland security

Comprehensive package will ensure state funds are not invested in companies engaged in business with terrorist countries, defined by the U.S. State Department.

— The five "state sponsors of terror" currently identified are Cuba, Iran, Sudan, North Korea, and Syria.

Protecting our Great Lakes and our environment

- Implement programs to control invasive species;
- Ban phosphorus in detergents to improve water quality; and
- Implement program to control cormorants to restore native fisheries.





Leading with Pro-Business, Pro-Consumer Initiatives

Protecting Michigan consumers

Protect Social Security numbers

— Prevents criminals from having easy access to Social Security numbers by requiring the register of deeds to remove the number from certain documents.

Authorize credit freeze

- Combats fraud and identity theft by allowing a consumer security freeze
 - Blocks access to a consumer's credit report in order to stop thieves from opening credit in the consumer's name.

Ensure food safety

- Enhances food safety by creating a risk-based system to better identify potential risks; and
- Ensures management personnel are trained to protect the public health.

Encourage good builders

- Protects consumers from unscrupulous builders; and
- Strengthens remedies against unlicensed or unscrupulous builders and contractors.

Combat mortgage fraud

— Prevents mortgage fraud by targeting appraisal coercion between a mortgage lender and an appraiser.

Preserve energy competition

— Senate Republicans are fighting for competition in the energy market place by resisting efforts to abandon Michigan's energy choice law.